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INTRODUCTION To Communications



Set Communication Goals

- Minimize Customer Complaints
- Company Image / Reputation
- Build Relationship / Trust
 1. Regulators
 2. Customers
 3. Media
 4. Outside Interested Parties
(Environmental Groups, “River Keepers”)



Crisis Communications

Preparation is the Key

- Water Outages
- Wastewater Spills
- Permit Applications
- Rate Cases

**Do you know how your company is really perceived by the public?
Research news articles.**



Crisis Communications

The “Hummmdinger”

**“Company Sewer Spill --
Raw Sewage Threatens City Water Supply”**

- Present perception of Professionalism, Readiness, Compliance, Concern
- Must present actions you are taking to remedy / clean up
- Must provide prompt notification to all affected parties
- Must be prepared to present/defend your prior actions and operations procedures
- Present plans to remedy. You will be asked, “What have you done to assure this does not happen again?”

Crisis Communication Training

Have a Crisis Plan! (Both for Ops AND Communications):

1. One Company Spokesperson (Trained)
2. Don't Speculate, Guess or Assume
3. "First Responder" Training:
 - DO - "We are aware of it, we are investigating, we have a spokesperson - He will take your questions."
 - DON'T - "No comment"
 - DON'T - "I've been here for 20 years, but they won't let ME talk to you!"
4. Be Prompt! Hesitation Allows Others To Speak For Your Company - usually negatively.
5. Have a prepared call/notification list.



Customer / Regulatory Communications

The Alpine Acquisition



Educate Customers and Share Your Plan

- **Regulators**
- **Customers**
- **Other Stakeholders – Congaree Riverkeeper**
- **Media If Necessary**

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The Alpine Presentation



Ni America, LLC

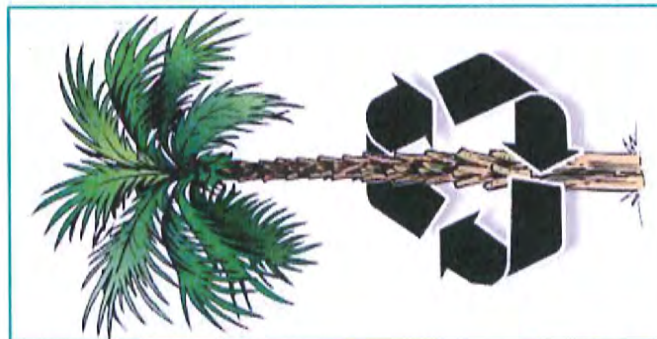
Regulated

Water and Wastewater Utilities

Emphasizing Regulatory Compliance
and Customer Service

Texas - South Carolina - Florida

Introduce them to your Company. Show professionalism, experience, expertise.



SOUTH CAROLINA

36,000 customers

Palmetto Utilities, Inc.

Palmetto Wastewater Reclamation (PWR)

Alpine Utility System

Woodland Utility System

Palmetto of Richland County (PRC)

803-699-2422

1713 Woodcreek Farms Rd

Elgin, SC 29045



Regulatory Agencies

Preside over "IOU"s

Rates Service Operations Maintenance

PSC ORS DHEC

Introduce customers to the Regulators.
Shows customers they are not alone, against the Utility.



South Carolina Office of Regulatory Staff

The Water and Wastewater Department of the ORS represents the public interest with regard to the regulation of rates and services of privately owned water and wastewater utilities in South Carolina.

Consumer Services

Resolve Disputes - Settle Inquiries - Get Educated

803-737-5230

800-922-1531 (toll free)

<http://www.regulatorystaff.sc.gov>



PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

WHAT IS REGULATED BY THE COMMISSION?

The Commission regulates investor-owned water and wastewater utilities, telephone utilities, electrical utilities, gas utilities, and motor vehicle carriers as defined in Title 58 of the South Carolina Code. The Seven-Member Commission essentially functions as a court with the principal duty to hear cases involving regulated utilities.

- **exclusive jurisdiction to establish fair and reasonable rates**
- **requires regulated utilities to provide adequate service and to treat all customers equitably**
- **receives formal complaints regarding regulated utilities /after ORS investigation**

803-896-5100

<http://www.psc.sc.gov>



South Carolina Department of Health and Environmental Control

We promote and protect the health of the public and the environment.

Sanitary Sewer Overflows (SSO)

Blockages - Construction Activities - Pipe failures - Pump Failures
Grease Accumulation - Root Intrusion - Poor Maintenance
Inflow & Infiltration

803-898-4300



<http://www.scdhec.gov>

Alpine

27
SSOs prior
to acquisition

Woodland





Alpine / Woodland Utilities

Collection System:

144,000 Linear feet of pipe (27 miles)
800 Manholes
10 Lift Stations

WWTP:

Treatment Plant - Two million gallons/day
Treatment Lagoon - 288,000 gallons/day

Show the magnitude of the job



Customer Service Improvements

- Commitment to the Utility
- Online account access and bill pay (coming soon)
- Customer Communications
- Faster Response to Service Calls
- 24-Hour Response to Emergency Calls
- Enhanced SSO Notification Procedures
(email list includes area media outlets and other interested parties)

System Improvements / “MOU”

- Video, clean, repair - collection system
- Install “Auto-Dialer” alarm/monitors
- Clear easements/rights of way
- Inspect, repair manholes
- Grease Trap Program – residential and commercial
- Utility Management Expertise
- Access to Capital

WWTP

- Additional clarifier, digester
- Install new bar screen, floating aeration system
- Extend plant walls

Alpine WWTP - 2011



Alpine WWTP Improvements





Camera Truck



Pipe Camera

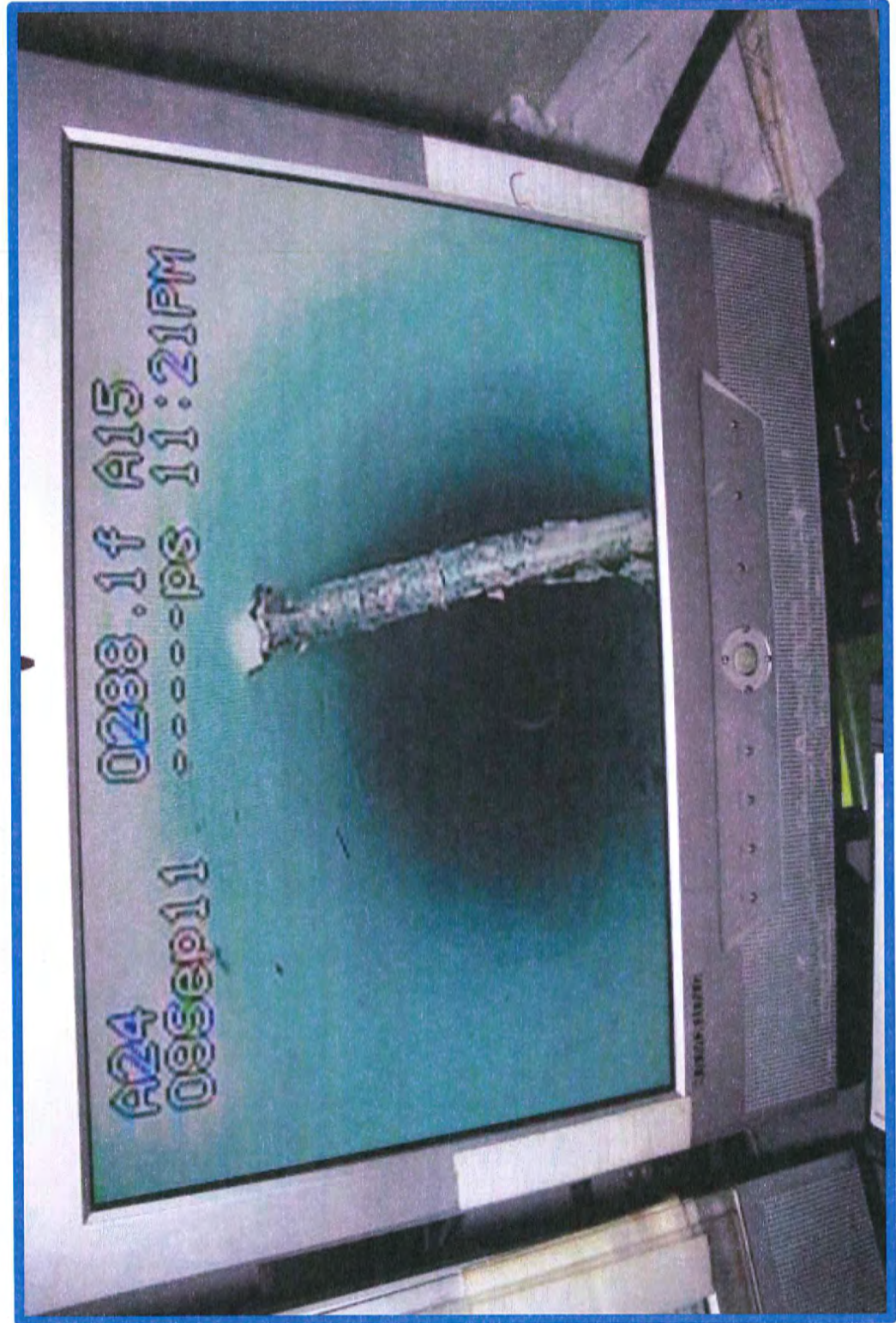


The underground video process

Broken Pipe



Steel Rod in Pipe

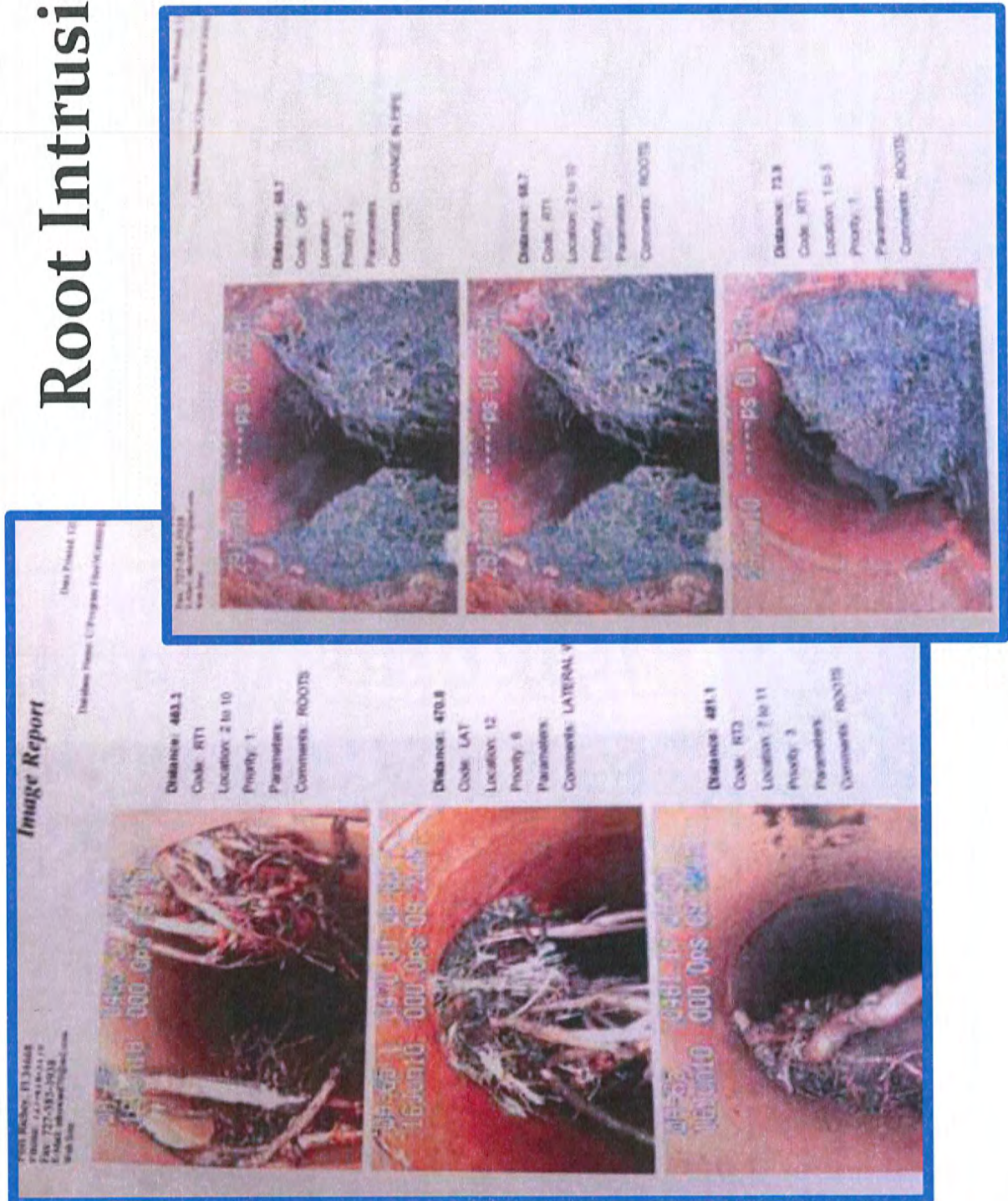


Collapsed Concrete Pipe





Root Intrusion



Pipe After Cleaning



What is the environmental problem with FOG (FATS, OIL, GREASE) in our sewers?

EPA's report to congress on sewer overflows identifies grease from "restaurants, homes and industrial sources" as the most common cause of blockages (47%). Grease is problematic because it solidifies, reduces conveyance capacity and blocks flow.*

***EPA's Office of Water -2007**

Grease Blockage at Alpine Bar Screen

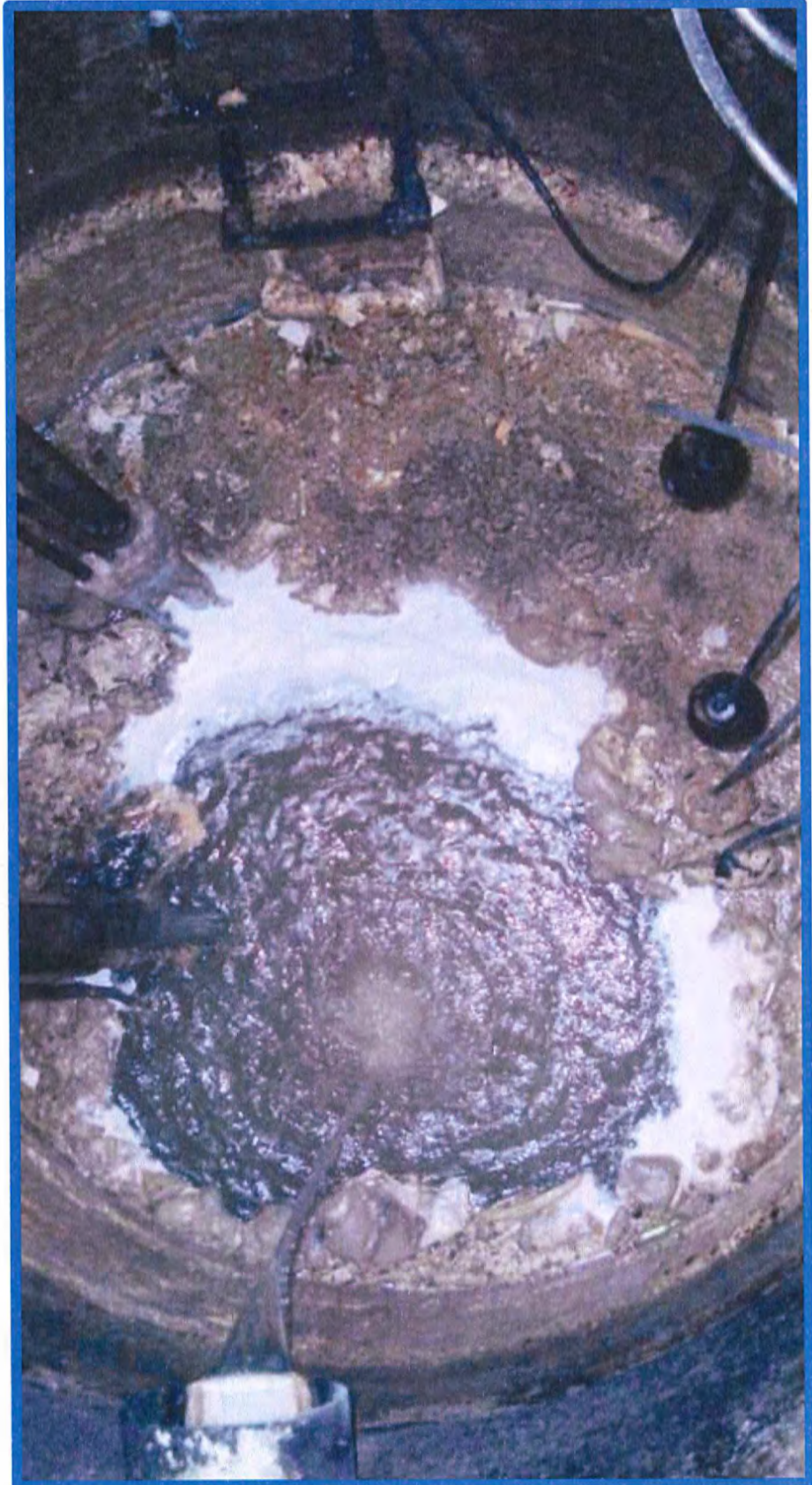


Photos will make customers really think before pouring grease down the drain

Grease Cause of SSO



Grease Accumulation in Lift Station



Treatment Plant Flood - I&I





Sanitary Sewer Overflows (SSO)

Cause	Remedy
Blockages	- video, clean entire system
Root Intrusion	- cut roots, repair breaks
Pipe failures	- repair or replace as needed
Pump Failures	- inspect, repair/replace as needed
Grease Accumulation	- grease trap program, “FOG” program
Poor Maintenance	
Inflow & Infiltration	

Alpine had NO grease trap program, standards or inspections.



Alpine/Woodland SSO History

- Prior to Acquisition - 27 spills
- Our First Year - 12 spills
- Second Year – 6 spills
- SSOs are now smaller in volume

Highlight your accomplishments and improvements.

Privately Owned Utilities (Investor Owned Utilities)

- Must meet all regulatory guidelines
- EPA survey – “small IOUs have the most violations”
- EPA determined – “the best future for small IOUs is to be purchased by large, responsible utility”
- **IOU rates must reflect full cost of service**
- **Rates must also provide a reasonable rate of return in order to continue to attract private investment**

The Rate Process

WHY RATES INCREASE?

- Additional investment/improvements in the utility system
- O & M costs go up

HOW?

- Application is filed with the PSC
- Utility must provide notice to customers
- ORS represents the public interest and conducts audit of utility records
- Expenditures must be “Used and Useful”, “Reasonable and Necessary”
- Hearing is held; customers are invited to participate
- PSC determines final rates



Quote Respected Outside Sources



Aging Water Infrastructure (AWI) Research

“Our nation’s water infrastructure needs an upgrade. The drinking water treatment plants and distribution lines, sewer lines, and storage facilities that we rely on for clean and safe water are aging, some to the point of deterioration and even failure.”

President Obama has called for water and wastewater infrastructure projects with an investment of \$6 billion.

<http://www.epa.gov/awi/basic.html>

“US Water Rates Expected To Triple”

CNN Money Report

First Published: February 27, 2012: 6:51 PM ET

- “Many consumers could see their water bills double or even triple, as the country attempts to overhaul its aging water system over the next 25 years.”
- “A new study by the American Water Works Association found that repairing and expanding the U.S. drinking water system between 2011 and 2035 will cost at least \$1 trillion, an amount that will largely be paid for by increasing household water bills.”
- “The \$1 trillion in water infrastructure costs over the next 25 years includes fixing leaky pipes, replacing pipelines and expanding water systems to accommodate growing populations.”

http://money.cnn.com/2012/02/27/pf/water_bills/index.htm?source=cnn_bin



Rate Request

<i>Previous Rate</i>	<i>Current Rate</i>	<i>Proposed Rate</i>
<i>\$16.75</i>	<i>\$29.00</i>	<i>\$33 - \$38</i>

Area Wastewater Rates Comparison

Alpine	\$ 29.00	(was \$16.75)
Woodland	24.00	
Palmetto Utility	36.00	
Average SC IOU	36.00	(range 17.50 – 82.82)
Richland County	46.54	
City of Columbia	48.16	(8,000 gal)
(\$10.20 base + \$4.93 usage) 2250 gal + ea. 750 gal		
Lexington County	58.53	(8,000 gal)
(\$9.75 base + \$5.41 usage + 5.50 backflow fee)		
Lexington City	53.63	(non-metered flat)
	74.70	(metered 8,000 gal)
Average Muni Rate	56.31	(8,000 gal)



Important Numbers

Palmetto Customer Service 803-699-2422

Please Report Sewer Spills Immediately!

Office of Regulatory Staff 803-737-5230

DHEC 803-898-4300

Public Service Commission 803-896-5100

XXXXXX



Anticipate Rate Complaints

- *Can't afford increase/didn't get a raise* – we showed we are required to meet regulatory compliance regardless of the economy, quoted sources
- *Increase is Unreasonable* – “used, useful”; “reasonable and necessary”; audited by ORS; we showed we made improvements at very competitive prices
- *You raise rates whenever you want, any amount you want* – rates **must** be approved by PSC, **must** be just and reasonable
- *Nothing we can do about it* – customers **can** participate in the hearing process; we provide ORS/PSC info



The Ex Parte Presentation to PSC (Alpine issues and Satellite Systems)

Share Your Plans With ORS in Advance
(rate case strategies, customer service issues, etc.)

You can educate, prepare the Regulators for upcoming issues

Cost of Communications

- One Person - *zero, if that person is you*
- Communications Training - *zero to several thousand \$\$*
- Customer Meetings - *zero if held at the local church or HOA meetings*
- Coordinating Activities With Regulators

*Changing Perception of IOUs,
Improved Image in the Community,
Better Results in Rate Cases...
PRICELESS*

Responding to Customer Complaints

“We are in the process of constructing a swimming pool. The pool will require 8500 gallons of water and we do not understand why we should pay the sewer company for water that will remain in the pool and not go through your system. Please explain to me why it is regulated fair and proper for me to pay Ni Florida for water it will not be treating. I cannot see the sense in this regulation.”

Thanks much
Debbie Elliott

In your response please provide information regarding customer contact. A response is requested by May 7, 2014.

Company Response

- *Usage is capped at 8,000 gallons*
- *Account history: average of 6,000 gallons*
- *2,000 gallons @ \$6.96 = \$13.92*
- *When pool is drained it should go into sewer, not storm drain, so should eventually be “treated”*

I hope this helps to alleviate your concern and demonstrates that you are not actually paying for the entire 8,500 gallons of swimming pool water, (or even 8,000 gallons of it, since your typical usage is 6,000). Please note that I have copied Ms. Calhoun, of the Florida PSC, as our response to your complaint on this issue.

Very respectfully yours,

Rick Melcher

Public Relations Manager

Ni America

979-319-0966

Customer Reply #1

Thank you for taking the time to explain this to me in a way I found very easy to understand. I appreciate everything you said and now understand your point of view. I also appreciate the research you did into my billing in order to help me understand how this affects what I will be paying. If your customer service rep had explained this to me, rather than telling me, "it is what it is because the PSC regulates us and makes it that way", I would have been completely satisfied at that point of contact rather than having to contact the PSC for an explanation.

Again, many thanks for taking the time to explain this so well.

Kind regards,
Debbie

Customer Reply #2

Thank you for your voice message, Rick.

I am so impressed with the professionalism and high level of service you have provided to assist me with my questions and to explain how everything is worked out in a way I could understand. These days, nobody has any time to help anyone and I have to say you have restored my faith in human nature with the way you have handled this. I have absolutely no objection to you using my query to train your customer service representatives so they can help other people in similar situations who have no idea why they're paying for sewer service for certain things.

Thanks again for all your help!